

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Air Quality Division (DEQ/AQD), Herschler Building, 122 West 25th Street, Cheyenne, Wyoming 82002, and WBI Energy Midstream, LLC (WBI Energy), 1250 West Century Avenue, Bismarck, North Dakota 58503, enter into this Settlement Agreement (Agreement) to fully and finally resolve without litigation the alleged violations cited in DEQ Notice of Violation Docket No. 5213-13 (Notice of Violation) and other alleged violations set forth specifically below. The Notice of Violation alleged that WBI Energy violated the terms of Permit MD-9154 by failing to conduct initial performance testing on engine G1 at WBI Energy's Landeck Central Compressor Station.

Wyo. Stat. Ann. § 35-11-901(a)(ii) authorizes stipulated settlement, including payment of a penalty, implementation of compliance schedules, or other settlement conditions in lieu of litigation. To that end, WBI Energy and the DEQ/AQD hereby agree as follows:

1. WBI Energy is a Colorado limited liability company authorized to do business in the State of Wyoming that owns and operates the Landeck Central Compressor Station in Campbell County, Wyoming.

2. The DEQ/AQD is responsible for enforcing Article 2 of the Wyoming Environmental Quality Act and the Air Quality Rules. Wyo. Stat. Ann. § 35-11-110.

3. DEQ/AQD issued Permit MD-9154 to WBI Energy for the Landeck facility on August 12, 2009.

4. Condition 9 of Permit MD-9154 required WBI Energy to conduct performance testing on the Landeck facility within ninety (90) days of initial start-up.

5. Condition 17(iii) of Permit MD-9154 required WBI Energy install a pressure drop measuring device on Engines E2-E3 and E7-E9 at the facility and to conduct monthly monitoring of the pressure drop in catalysts installed on those engines.

6. On August 7, 2013, DEQ/AQD inspected the Landeck facility and noted that: (1) WBI Energy had not conducted initial performance testing on Engine G1 at the Landeck facility; and (2) WBI Energy had not conducted monthly pressure drop monitoring and that Engines E2 and E3 were operating without pressure drop devices.

7. On December 18, 2013, DEQ/AQD issued the Notice of Violation to WBI Energy, alleging that WBI Energy violated Conditions 9 and 17(iii) of Permit MD-9154.

8. Without admitting liability, and in lieu of litigation pursuant to Wyo. Stat. Ann. § 35-11-901(a)(ii), WBI Energy agrees to pay to the DEQ/AQD the amount of four thousand and nine hundred dollars and no cents (\$4,900.00) as a stipulated penalty to resolve the violations alleged in the Notice of Violation. WBI Energy agrees to make full payment

by check made payable to the Wyoming DEQ/AQD, within thirty (30) days after WBI Energy has been notified by DEQ/AQD that the final signature has been affixed to this Agreement. WBI Energy agrees to mail the payment to Jeremiah Williamson, Assistant Attorney General, 123 State Capitol, Cheyenne, WY 82002.

9. WBI Energy, by entering into this Agreement, does not concede or admit to any liability or fault, and this Agreement constitutes no admission of liability, fault, or noncompliance with any allegations, findings, determinations or conclusions contained in this Agreement or in the Notice of Violation. Except as specifically provided for herein, nothing in this Agreement shall prejudice, waive or impair any right, remedy, or defense that WBI Energy may have against any entity.

10. Full compliance with this signed Agreement shall constitute full satisfaction for all claims by the DEQ/AQD against WBI Energy based on the Notice of Violation and, solely in reliance on this Agreement, the DEQ/AQD will refrain from taking further enforcement action against WBI Energy for these particular alleged violations. With this Agreement, the Parties intend to resolve with prejudice all allegations that were asserted in the Notice of Violation.

11. In the event that WBI Energy fails to fulfill its obligations under this Agreement, WBI Energy waives any statute of limitation claims that may apply in an enforcement action by the DEQ/AQD involving the specific matters described in the Notice of Violation.

12. This Agreement shall be admissible by either WBI Energy or the DEQ/AQD without objection by the other only in an action between DEQ/AQD and WBI Energy relating to the violations alleged herein.

13. Neither DEQ/AQD nor WBI Energy shall have any claim against the other for attorneys' fees or other costs incurred with the allegations resolved hereby, including costs incurred in the preparation of this Agreement. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Agreement is signed by both parties. Each party assumes the risk of any liability arising from its own conduct. Neither party agrees to insure, defend or indemnify the other.

14. Any changes, modifications, revisions, or amendments to this Agreement that are mutually agreed upon by the parties shall be incorporated by written instrument, executed and signed by all parties to this Agreement.

15. The construction, interpretation, and enforcement of this Agreement shall be governed by the laws of the State of Wyoming. The Courts of the State of Wyoming shall have jurisdiction over this Agreement and the parties, and the venue shall be the First Judicial District, Laramie County, Wyoming.

16. This Agreement, consisting of three (3) pages represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations, and agreements, whether written or oral.

17. The State of Wyoming and the DEQ/AQD do not waive sovereign immunity by entering into this Agreement and specifically retain immunity and all defenses available to them as sovereigns pursuant to Wyo. Stat. Ann. § 1-39-104(a) and all other state law.

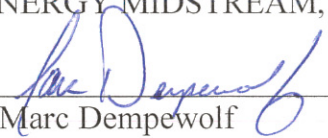
18. The parties do not intend to create in any other individual or entity the status of third party beneficiary, and this Agreement shall not be construed so as to create such status. The rights, duties and obligations contained in this Agreement shall operate only between the parties to this Agreement and shall inure solely to the benefit of the parties to this Agreement. The parties to this Agreement intend and expressly agree that only parties signatory to this Agreement shall have any legal or equitable right to seek to enforce this Agreement, to seek any remedy arising out of a party's performance or failure to perform any term or condition of this Agreement, or to bring an action for the breach of this Agreement.

19. Each party represents that they are authorized to enter into this Agreement, agree to comply with and to be bound by the terms of this Agreement, and further agree that they will not contest the basis or validity of this Agreement. This Agreement shall become binding upon the parties once executed by all parties.

IN WITNESS THEREOF, the parties, by their duly authorized representatives, have executed this Agreement on the days and dates set out below, and certify that they have read, understood, and agreed to the terms and conditions of this Agreement:

WBI ENERGY MIDSTREAM, LLC

By:


Marc Dempewolf
Director of Pipeline Operations

2-27-14
Date

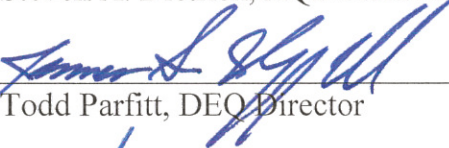
STATE OF WYOMING, DEPARTMENT OF ENVIRONMENTAL QUALITY

By:


Steven A. Dietrich, AQD Administrator

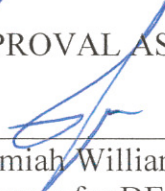
3-11-14
Date

By:


Todd Parfitt, DEQ Director

3/13/14
Date

APPROVAL AS TO FORM:


Jeremiah Williamson, Assistant Attorney General
Attorney for DEQ/AQD

3/6/14
Date



WYOMING AIR QUALITY DIVISION
122 WEST 25TH STREET
CHEYENNE WY 82002

Check No.: 311-046845
Check Date: 04/16/14
Stub 1 of 1

Vendor's Invoice No.	Invoice Date	Reference	Gross	Discount	Net
040314	04/03/14		4,900.00		4,900.00
			----- 4,900.00	-----	----- 4,900.00

THIS CHECK IS VOID WITHOUT A PURPLE & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW



US BANK
75-1592/912
1-800-872-2657

No. 311-046845

Date: 04/16/14

\$*****4,900.00

FOUR THOUSAND NINE HUNDRED AND 00/100*****

PAY TO THE ORDER OF

WYOMING AIR QUALITY DIVISION
122 WEST 25TH STREET
CHEYENNE WY 82002

Stana L. Burt